AMENDMENTS TO THE CLAIMS:

1.(currently amended): A system for controlling distribution of video information over a network, comprising:

(a) a video data distribution unit comprising:

coding means for producing coded data by encoding source video signals based on performance level messages and error status messages that are received, wherein said coding means inserts an intraframe-coded frame in a sequence of interframed-coded frames at predetermined regular intervals, when the received performance level messages indicate the presence of such a recipient whose performance is insufficient to fully decode the coded data, or when the error status messages indicate the presence of such a recipient that is experiencing intolerably frequent errors,

dynamic traffic control means for dynamically controlling traffic of the coded data, thereby producing a video stream for distribution, and

video distribution means for distributing the produced video stream over the network; and

(b) a plurality of data terminals, each comprising:

performance level notification means for evaluating performance of said each data terminal and sending the performance report message to indicate the performance evaluated,

error status monitoring means for monitoring error status of said each data terminal and sending the error status message to said video data distribution unit when an error is detected, and

decoding means for adaptively decoding the video stream delivered thereto,

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wherein said adaptive decoding in a data terminal reproduces a subsampled video stream by selectively decoding a portion of the intra-coded frames out of the delivered video stream, when said performance level notification means identifies that the performance is insufficient to fully decode the delivered video stream including interframe-coded frames, or when said error status monitoring means detects intolerably frequent errors.

2.(original):   The system according to claim 1, wherein said dynamic traffic control means determines a rate multiplier according to the performance level messages and error status messages, and dynamically varies the effective transfer rate of the coded data by applying the rate multiplier thereto.

3.(original):   The system according to claim 2, wherein said dynamic traffic control means determines the rate multiplier from at least one of:

> supervisor events representing requests from a supervisor;
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> network events representing network status; and
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> client events representing status and requests from the data terminals.

4.(original):   The system according to claim 1, wherein said dynamic traffic control means separately controls the traffic for each distribution path.

5.(original):   The system according to claim 1, wherein said dynamic traffic control means has a timer with a predetermined interval, and varies the traffic in a stepwise manner, each time the predetermined interval expires.

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6.(original): The system according to claim 1, wherein said performance level reporting means sends the performance level message containing information about resources that said each data terminal owns or benchmark scores that said each data terminal achieved.

Claims 7-11. (cancelled):

12.(original): The system according to claim 1, further comprising program data sending means for providing information on what video programs are distributed.

13.(currently amended): A video data distribution unit which distributes video information to a plurality of data terminals over a network, comprising:

coding means for producing coded data by encoding source video signals, based on performance level messages and error status messages received from the data terminals, wherein said coding means inserts an intraframe-coded frame in a sequence of interframe-coded frames at predetermined regular intervals, when the received performance level messages indicate the presence of such a data terminal whose performance is insufficient to fully decode the coded data, or when the error status messages indicate the presence of such a data terminal that is experiencing intolerably frequent errors,

dynamic traffic control means for dynamically controlling traffic of the coded data, thereby producing a video stream for distribution; and

video distribution means for distributing the produced video stream over the network, wherein

said data terminal adaptively decoding the delivered video stream by reproducing

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a subsampled video stream by selectively decoding a portion of the intra-coded frames out of the delivered video stream, when the performance is insufficient to fully decode the delivered video stream including interframe-coded frames, or when frequent errors are detected.

14.(currently amended): A data terminal which replays video information delivered over a network, comprising:

performance level notification means for evaluating performance of the data terminal and sending a performance report message to indicate the performance evaluated;

error status monitoring means for monitoring error status of the data terminal and sending an error status message; and

decoding means for adaptively decoding a video stream delivered thereto, wherein said adaptive decoding in the data terminal reproduces a subsampled video stream by selectively decoding a portion of intra-coded frames out of the delivered video stream, when said performance level notification means identifies that the performance is insufficient to fully decode the delivered video stream including interframe-coded frames, or when said error status monitoring means detects intolerably frequent errors.

15.(currently amended): A method of controlling distribution of video information to a plurality of data terminals over a network, comprising the steps of:

(a) sending a performance level message from each data terminal to indicate performance of the sending data terminal itself;

(b) sending an error status message from each data terminal when the sending data terminal encounters an error;

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(c) producing coded data by encoding source video signals, based on information contained in the performance level messages and error status messages received from the data terminals, wherein said encoding inserts an intraframe-coded frame in a sequence of interframe-coded frames at predetermined regular intervals, when the performance level message indicates the presence of such a recipient whose performance is insufficient to fully decode the coded data, or when the error status message indicates the presence of such a recipient that is experiencing intolerably frequent errors;

(d) producing a video stream by dynamically controlling traffic of the coded data;

(e) distributing the produced video stream to the data terminals over the network; and

(f) adaptively decoding the received video stream at each data terminal, wherein said adaptive decoding reproduces a subsampled video stream by selectively decoding a portion of the intra-coded frames out of the delivered video stream, when said each data terminal identifies that the performance is insufficient to fully decode the received video stream including interframe-coded frames, or when said each data terminal detects intolerably frequent errors.

16.(original): The method according to claim 15, wherein:

said step (c) of producing the coded data is performed either in interframe coding mode or in intraframe coding mode;

when the interframe coding mode is chosen, said step (c) encodes differences between frames; and

when the intraframe coding mode is chosen, said step (c) inserts an intra-coded frame into a series of interframe coded frames at regular intervals.

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Claims 17-20 (cancelled)

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